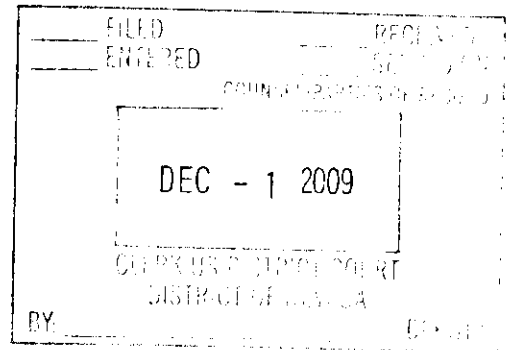


**SEALED**

**Office of the United States Attorney**  
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**UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEVADA**

-oOo-

|                           |   |  |
|---------------------------|---|--|
| UNITED STATES OF AMERICA, | ) | CRIMINAL INDICTMENT                      |
|                           | ) |  |
| Plaintiff,                | ) | 2:09-CR- 491                             |
|                           | ) |  |
| v.                        | ) | VIOLATION:                               |
|                           | ) |  |
| HUGO VARGAS,              | ) | 29 U.S.C. § 501(c) Embezzlement of Union |
|                           | ) | Assets                                   |
| Defendant.                | ) |  |

**THE GRAND JURY CHARGES THAT:**

**COUNT ONE**  
**Embezzlement of Union Assets**

From in or about July 2006 to in or about October 2008, in the State and Federal District of Nevada,

**HUGO VARGAS,**

the defendant, while an officer, that is, secretary-treasurer of Machinists Lodge 845, a labor organization engaged in an industry affecting interstate commerce, did embezzle, steal and unlawfully and willfully abstract and convert to his own use the money, funds, securities, property, and other assets of said labor organization in the approximate amount of \$106,293.59 in violation of Title 29, United States Code, Section 501(c).

///

**FORFEITURE ALLEGATION ONE**  
(Embezzlement of Union Assets)

1. The allegation of Count One of this Indictment is hereby re-alleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to the provision of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Codes, Section 2461(c).

2. Upon a conviction of the felony offense charged in Count One of this Indictment,

**HUGO VARGAS,**

defendant herein, shall forfeit to the United States of America, any property constituting, or derived from, proceeds traceable to violations of Title 29, United States Code, Section 501(c), a specified unlawful activity as defined in 18 U.S.C. §1956(c)(7)(A) and 1961(1)(C), or a conspiracy to commit such offenses, a criminal forfeiture money judgment up to \$106,293.59 in United States Currency.

3. If any property being subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), as a result of any act or omission of the defendants –

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been place beyond the jurisdiction of the court;
- d. has been substantially diminished in value, or;
- e. has been commingled with other property that cannot be divided without difficulty;

it is the intent of the United States of America to seek forfeiture of any properties pursuant to Title 21, United States Code, Section 853(p) of the defendant up to \$106,293.59 in United States Currency.

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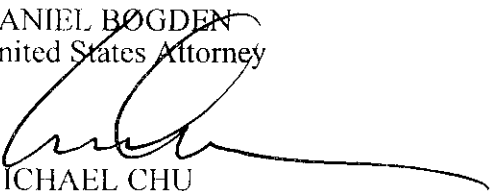
1 All pursuant to Title 18, United States Code, Section 981(a)(1)(C); Title 28, United  
2 States Code, Section 2461(c); Title 29, United States Code, Section 501(c), a specified unlawful  
3 activity as defined in Title 18, United States Code, Sections 1956(c)(7)(A) and 1961(1)(C); and Title  
4 21, United States Code, Section 853(p).

5 **DATED:** this 1 day of December 2009.

6 **A TRUE BILL:**

7  
8 /s/  
9 FOREPERSON OF THE GRAND JURY

10 DANIEL BOGDEN  
11 United States Attorney

12   
13 MICHAEL CHU  
Assistant United States Attorney